

EXHIBIT C

Detail Cash Flow
2017 - 2018 Budget
Updated 1-25-2017

	2017 Forecast												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
Cash basis OPEX													
Employee expenses	\$ 990,000	\$ 710,000	\$ 710,000	\$ 833,750	\$ 833,750	\$ 820,750	\$ 927,500	\$ 916,500	\$ 916,500	\$ 913,500	\$ 923,500	\$ 923,500	\$ 10,419,250
Office and Supplies	\$ 35,000	\$ 35,000	\$ 35,000	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 442,500
Travel	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 540,000
Legal Fees - total	\$ 1,085,250	\$ 1,085,250	\$ 1,132,200	\$ 110,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 3,692,700
Professional/Audit Fees - total	\$ 67,900	\$ 60,400	\$ 60,400	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,700
Outside Services	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 975,000
Research & Development	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 216,000
Facilities & Equip., net of depreciation	\$ 101,000	\$ 110,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 143,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 1,371,000
Military contract billings	\$ (30,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (160,000)
Total OPEX	\$ 2,407,150	\$ 2,128,650	\$ 2,183,600	\$ 1,202,250	\$ 1,207,250	\$ 1,149,250	\$ 1,326,000	\$ 1,240,000	\$ 1,245,000	\$ 1,242,000	\$ 1,252,000	\$ 1,252,000	\$ 17,835,150
Inventory buys:													
Total Inventory buys	\$ 414,560	\$ 410,974	\$ 480,580	\$ 261,030	\$ 266,880	\$ 302,955	\$ 319,302	\$ 323,001	\$ 375,283	\$ 386,132	\$ 396,732	\$ 446,038	\$ 4,383,466
CAPEX													
Capital purchases	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 235,000
Total CAPEX	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 235,000
Gross Burn before Collections													
	\$ (2,846,710)	\$ (2,559,624)	\$ (2,684,180)	\$ (1,483,280)	\$ (1,494,130)	\$ (1,472,205)	\$ (1,665,302)	\$ (1,583,001)	\$ (1,640,283)	\$ (1,648,132)	\$ (1,663,732)	\$ (1,713,038)	\$ (22,453,616)
Collections													
	\$ 339,078	\$ 207,825	\$ 288,526	\$ 477,545	\$ 519,182	\$ 1,008,962	\$ 609,221	\$ 448,254	\$ 560,958	\$ 689,382	\$ 799,781	\$ 881,023	\$ 6,829,735
Net Operational Burn (before financing)													
	\$ (2,507,632)	\$ (2,351,799)	\$ (2,395,654)	\$ (1,005,735)	\$ (974,948)	\$ (463,243)	\$ (1,056,081)	\$ (1,134,747)	\$ (1,079,326)	\$ (958,750)	\$ (863,951)	\$ (832,015)	\$ (15,623,881)
Debt Financing/Bankruptcy/Legal Activity													
Unsecured creditors settlement	\$ -	\$ -	\$ -	\$ (2,500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,500,000)
Refinancing costs/Commitment Fee/Legal	\$ -	\$ -	\$ -	\$ (400,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (400,000)
Investment bank fees (Piper Jaffray)	\$ -	\$ -	\$ -	\$ (1,125,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,125,000)
Debt repayments	\$ -	\$ -	\$ -	\$ (12,680,324)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,680,324)
Back-end Fee/Prepayment Fee/Legal Costs	\$ -	\$ -	\$ -	\$ (1,611,891)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,611,891)
Accrued/deferred interest	\$ -	\$ -	\$ -	\$ (973,292)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (973,292)
Debt borrowings, including DIP	\$ 2,300,000	\$ 2,350,000	\$ 2,350,000	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,000,000
DIP conversion	\$ -	\$ -	\$ -	\$ (8,250,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,250,000)
Net financing cash in (cash out)	\$ 2,300,000	\$ 2,350,000	\$ 2,350,000	\$ (7,540,507)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (540,507)
Interest payments													
	\$ -	\$ -	\$ -	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 1,200,000
Equity Funding													
Sale of preferred stock	\$ -	\$ -	\$ -	\$ 21,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,750,000
DIP loan conversion	\$ -	\$ -	\$ -	\$ 8,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,250,000
	\$ -	\$ -	\$ -	\$ 30,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000,000
Total Cash Use/Source													
	\$ (207,632)	\$ (1,799)	\$ (45,654)	\$ 21,320,425	\$ (1,108,282)	\$ (596,577)	\$ (1,189,415)	\$ (1,268,080)	\$ (1,212,659)	\$ (1,092,083)	\$ (997,285)	\$ (965,348)	\$ 12,635,612
Beginning cash - all accounts	\$ 2,357,926	\$ 2,150,294	\$ 2,148,495	\$ 2,382,841	\$ 23,703,266	\$ 22,594,984	\$ 21,998,408	\$ 20,808,993	\$ 19,540,913	\$ 18,328,254	\$ 17,236,171	\$ 16,238,886	\$ 2,357,926
Less restricted cash at SVB	\$ (414,244)	\$ (414,244)	\$ (414,244)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending cash - all accounts	\$ 1,736,050	\$ 1,734,251	\$ 1,688,597	\$ 23,703,266	\$ 22,594,984	\$ 21,998,408	\$ 20,808,993	\$ 19,540,913	\$ 18,328,254	\$ 17,236,171	\$ 16,238,886	\$ 15,273,538	\$ 14,993,538

Detail Cash Flow
2017 - 2018 Budget
Updated 1-25-2017

2018 Forecast													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY
Cash basis OPEX													
Employee expenses	\$ 932,735	\$ 932,735	\$ 932,735	\$ 942,062	\$ 942,062	\$ 942,062	\$ 951,483	\$ 951,483	\$ 951,483	\$ 951,483	\$ 951,483	\$ 951,483	\$ 11,333,290
Office and Supplies	\$ 37,875	\$ 37,875	\$ 37,875	\$ 38,254	\$ 38,254	\$ 38,254	\$ 38,636	\$ 38,636	\$ 38,636	\$ 38,636	\$ 38,636	\$ 38,636	\$ 460,204
Travel	\$ 50,500	\$ 50,500	\$ 50,500	\$ 51,005	\$ 51,005	\$ 51,005	\$ 51,515	\$ 51,515	\$ 51,515	\$ 51,515	\$ 51,515	\$ 51,515	\$ 613,605
Legal Fees - total	\$ 35,350	\$ 35,350	\$ 35,350	\$ 35,704	\$ 35,704	\$ 35,704	\$ 36,061	\$ 36,061	\$ 36,061	\$ 36,061	\$ 36,061	\$ 36,061	
Professional/Audit Fees - total	\$ -	\$ -	\$ -	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,000
Outside Services	\$ 75,750	\$ 75,750	\$ 75,750	\$ 76,508	\$ 76,508	\$ 76,508	\$ 77,273	\$ 77,273	\$ 77,273	\$ 77,273	\$ 77,273	\$ 77,273	\$ 920,408
Research & Development	\$ 18,180	\$ 18,180	\$ 18,180	\$ 18,362	\$ 18,362	\$ 18,362	\$ 18,545	\$ 18,545	\$ 18,545	\$ 18,545	\$ 18,545	\$ 18,545	\$ 220,898
Facilities & Equip., net of depreciation	\$ 114,130	\$ 114,130	\$ 114,130	\$ 115,271	\$ 115,271	\$ 115,271	\$ 116,424	\$ 116,424	\$ 116,424	\$ 116,424	\$ 116,424	\$ 116,424	\$ 1,386,748
Military contract billings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total OPEX	\$ 1,264,520	\$ 1,264,520	\$ 1,264,520	\$ 1,277,165	\$ 1,362,165	\$ 1,277,165	\$ 1,374,937	\$ 1,289,937	\$ 15,105,153				
Inventory buys:													
Total Inventory buys	\$ 310,465	\$ 320,839	\$ 362,341	\$ 332,488	\$ 340,725	\$ 381,524	\$ 396,332	\$ 432,143	\$ 534,823	\$ 462,852	\$ 464,800	\$ 608,089	\$ 4,947,420
CAPEX													
Capital purchases	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 16,667	\$ 16,667	\$ 16,666	\$ 275,000
Total CAPEX	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 16,667	\$ 16,667	\$ 16,666	\$ 275,000
Gross Burn before Collections													
Collections													
Net Operational Burn (before financing)	\$ (452,253)	\$ (414,815)	\$ (439,119)	\$ (390,795)	\$ (436,287)	\$ (325,395)	\$ (147,414)	\$ 28,413	\$ (147,284)	\$ 112,496	\$ 244,804	\$ 167,055	\$ (1,771,071)
Debt Financing/Bankruptcy/Legal Activity													
Unsecured creditors settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refinancing costs/Commitment Fee/Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment bank fees (Piper Jaffray)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt repayments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Back-end Fee/Prepayment Fee/Legal Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued/deferred interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt borrowings, including DIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DIP conversion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net financing cash in (cash out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest payments													
Equity Funding													
Sale of preferred stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DIP loan conversion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Use/Source	\$ (585,586)	\$ (548,149)	\$ (572,452)	\$ (524,129)	\$ (569,620)	\$ (458,729)	\$ (280,747)	\$ (104,920)	\$ (280,617)	\$ (20,837)	\$ 111,471	\$ 33,722	\$ (3,371,071)
Beginning cash - all accounts	\$ 15,273,538	\$ 14,687,952	\$ 14,139,803	\$ 13,567,351	\$ 13,043,222	\$ 12,473,602	\$ 12,014,873	\$ 11,734,126	\$ 11,629,206	\$ 11,348,589	\$ 11,327,751	\$ 11,439,222	\$ 15,273,538
Less restricted cash at SVB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending cash - all accounts	\$ 14,687,952	\$ 14,139,803	\$ 13,567,351	\$ 13,043,222	\$ 12,473,602	\$ 12,014,873	\$ 11,734,126	\$ 11,629,206	\$ 11,348,589	\$ 11,327,751	\$ 11,439,222	\$ 11,472,944	\$ 11,902,467

2017-2018 Statement of Operations Forecast

GAAP Basis - Unaudited

	2017 Forecast												FY
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Revenues - Disposables	\$ 103,040	\$ 113,040	\$ 117,920	\$ 124,800	\$ 130,800	\$ 134,800	\$ 139,800	\$ 146,200	\$ 153,700	\$ 163,300	\$ 174,400	\$ 185,600	\$ 1,687,400
Revenues - Equipment/Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,500	\$ 207,900	\$ 311,850	\$ 519,750	\$ 534,600	\$ 534,600	\$ 2,257,200
Revenues - Software Amortization - Prior	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 353,340
Revenues - Software Amortization - New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,375	\$ 3,300	\$ 6,188	\$ 11,000	\$ 15,950	\$ 20,900	\$ 58,713
Revenues - 2016 PO's	\$ 97,500	\$ 217,500	\$ 293,535	\$ 120,000	\$ 120,000	\$ 180,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,029,285
Total Revenue	\$ 229,985	\$ 359,985	\$ 440,900	\$ 274,245	\$ 280,245	\$ 344,995	\$ 319,120	\$ 386,845	\$ 501,183	\$ 723,495	\$ 754,395	\$ 770,545	\$ 5,385,938
COGS - Disposables	\$ 97,888	\$ 107,388	\$ 112,024	\$ 118,560	\$ 124,260	\$ 128,060	\$ 132,810	\$ 138,890	\$ 146,015	\$ 155,135	\$ 165,680	\$ 176,320	\$ 1,603,030
COGS - Equipment/SW/Services	\$ 48,750	\$ 108,750	\$ 146,768	\$ 60,000	\$ 60,000	\$ 90,375	\$ 119,812	\$ 167,737	\$ 251,606	\$ 419,343	\$ 431,325	\$ 431,325	\$ 2,335,791
Cost of Services - incremental in house	\$ 65,048	\$ 65,048	\$ 41,600	\$ 32,221	\$ 15,808	\$ (17,020)	\$ (19,364)	\$ (19,364)	\$ (47,502)	\$ (26,399)	\$ (26,399)	\$ (56,881)	\$ 6,796
Cost of Services - incremental external	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,039	\$ 38,729	\$ 38,729	\$ 95,004	\$ 52,798	\$ 52,798	\$ 113,763	\$ 425,859
COGS - Scrap/Obsolesc./rework/Warranty	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 300,000
Total COGS/COS	\$ 236,686	\$ 306,186	\$ 325,392	\$ 235,781	\$ 225,068	\$ 260,455	\$ 296,987	\$ 350,992	\$ 470,123	\$ 625,877	\$ 648,404	\$ 689,526	\$ 4,671,477
Gross profit	\$ (6,701)	\$ 53,799	\$ 115,508	\$ 38,464	\$ 55,177	\$ 84,540	\$ 22,133	\$ 35,853	\$ 31,059	\$ 97,618	\$ 105,991	\$ 81,019	\$ 714,461
Gross margin	-3%	15%	26%	14%	20%	25%	7%	9%	6%	13%	14%	11%	13%
Employee expenses, net	\$ 476,045	\$ 476,045	\$ 476,045	\$ 599,795	\$ 599,795	\$ 586,795	\$ 693,545	\$ 682,545	\$ 682,545	\$ 679,545	\$ 689,545	\$ 689,545	\$ 7,331,786
Office and Supplies	\$ 35,000	\$ 35,000	\$ 35,000	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 442,500
Travel	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 540,000
Legal Fees - total	\$ 1,085,250	\$ 1,085,250	\$ 1,132,200	\$ 110,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 3,692,700
Professional/Audit Fees - total	\$ 67,900	\$ 60,400	\$ 60,400	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,700
Outside Services	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 975,000
Research & Development	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 216,000
Facilities & Equip., net of depreciation	\$ 101,000	\$ 110,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 143,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 113,000	\$ 1,371,000
Depreciation	\$ 96,321	\$ 96,000	\$ 95,500	\$ 95,000	\$ 94,500	\$ 94,000	\$ 93,500	\$ 93,000	\$ 92,500	\$ 92,000	\$ 91,500	\$ 91,000	\$ 1,124,821
Military contract billings	\$ (30,000)	\$ (30,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (160,000)
Total Operating expenses	\$ 1,989,516	\$ 1,990,695	\$ 2,045,145	\$ 1,063,295	\$ 1,067,795	\$ 1,009,295	\$ 1,185,545	\$ 1,099,045	\$ 1,103,545	\$ 1,100,045	\$ 1,109,545	\$ 1,109,045	\$ 15,872,507
Operating profit (loss)	\$ (1,996,217)	\$ (1,936,896)	\$ (1,929,637)	\$ (1,024,831)	\$ (1,012,617)	\$ (924,754)	\$ (1,163,412)	\$ (1,063,192)	\$ (1,072,485)	\$ (1,002,427)	\$ (1,003,553)	\$ (1,028,026)	\$ (15,158,046)
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 7,901	\$ 7,532	\$ 7,333	\$ 6,936	\$ 6,514	\$ 6,109	\$ 5,745	\$ 5,413	\$ 53,483
Interest expense	\$ 165,549	\$ 185,132	\$ 204,299	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 1,754,979
Other income (expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income (loss) before taxes	\$ (2,161,766)	\$ (2,122,028)	\$ (2,133,935)	\$ (1,158,164)	\$ (1,138,049)	\$ (1,050,556)	\$ (1,289,412)	\$ (1,189,589)	\$ (1,199,305)	\$ (1,129,651)	\$ (1,131,141)	\$ (1,155,946)	\$ (16,859,542)
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (2,161,766)	\$ (2,122,028)	\$ (2,133,935)	\$ (1,158,164)	\$ (1,138,049)	\$ (1,050,556)	\$ (1,289,412)	\$ (1,189,589)	\$ (1,199,305)	\$ (1,129,651)	\$ (1,131,141)	\$ (1,155,946)	\$ (16,859,542)

2017 - 2018 Statement of Operations Forecast

GAAP Basis - Unaudited

	2018 Forecast												FY
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Revenues - Disposables	\$ 207,900	\$ 218,820	\$ 226,380	\$ 235,200	\$ 243,963	\$ 251,408	\$ 260,095	\$ 270,361	\$ 281,931	\$ 297,841	\$ 314,232	\$ 327,248	\$ 3,135,379
Revenues - Equipment/Services	\$ 712,800	\$ 579,150	\$ 579,150	\$ 772,200	\$ 579,150	\$ 579,150	\$ 772,200	\$ 825,000	\$ 975,000	\$ 1,500,000	\$ 1,050,000	\$ 975,000	\$ 9,898,800
Revenues - Software Amortization - Prior	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 29,445	\$ 353,340
Revenues - Software Amortization - New	\$ 27,500	\$ 32,863	\$ 38,225	\$ 45,375	\$ 50,738	\$ 56,100	\$ 61,875	\$ 67,589	\$ 73,729	\$ 82,806	\$ 87,578	\$ 91,656	\$ 716,032
Revenues - 2016 PO's													
Total Revenue	\$ 977,645	\$ 860,278	\$ 873,200	\$ 1,082,220	\$ 903,295	\$ 916,103	\$ 1,123,615	\$ 1,192,395	\$ 1,360,106	\$ 1,910,091	\$ 1,481,255	\$ 1,423,349	\$ 14,103,551
COGS - Disposables	\$ 187,110	\$ 196,938	\$ 203,742	\$ 211,680	\$ 219,566	\$ 226,267	\$ 221,080	\$ 229,807	\$ 239,642	\$ 253,164	\$ 267,097	\$ 278,161	\$ 2,734,255
COGS - Equipment/SW/Services	\$ 350,655	\$ 284,907	\$ 284,907	\$ 379,876	\$ 259,006	\$ 259,006	\$ 345,342	\$ 368,955	\$ 436,037	\$ 670,827	\$ 469,579	\$ 436,037	\$ 4,545,133
Cost of Services - incremental in house	\$ 2,698	\$ (62,350)	\$ (83,134)	\$ (88,818)	\$ (104,967)	\$ (161,488)	\$ (113,041)	\$ (104,967)	\$ (185,711)	\$ (121,116)	\$ (121,116)	\$ (201,860)	\$ (1,345,869)
Cost of Services - incremental external	\$ (4,721)	\$ 109,113	\$ 145,484	\$ 155,432	\$ 183,692	\$ 282,603	\$ 169,562	\$ 157,450	\$ 278,566	\$ 181,674	\$ 181,674	\$ 302,789	\$ 2,143,318
COGS - Scrap/Obsolesc./rework/Warranty	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 300,000
Total COGS/COS	\$ 560,741	\$ 553,608	\$ 575,999	\$ 683,169	\$ 582,298	\$ 631,389	\$ 647,943	\$ 676,245	\$ 793,535	\$ 1,009,549	\$ 822,234	\$ 840,128	\$ 8,376,838
Gross profit	\$ 416,904	\$ 306,670	\$ 297,201	\$ 399,051	\$ 320,997	\$ 284,714	\$ 475,672	\$ 516,150	\$ 566,571	\$ 900,542	\$ 659,021	\$ 583,221	\$ 5,726,713
Gross margin	43%	36%	34%	37%	36%	31%	42%	43%	42%	42%	47%	44%	41%
Employee expenses, net	\$ 698,780	\$ 698,780	\$ 698,780	\$ 708,107	\$ 708,107	\$ 708,107	\$ 717,528	\$ 717,528	\$ 717,528	\$ 717,528	\$ 717,528	\$ 717,528	\$ 8,525,826
Office and Supplies	\$ 37,875	\$ 37,875	\$ 37,875	\$ 38,254	\$ 38,254	\$ 38,254	\$ 38,636	\$ 38,636	\$ 38,636	\$ 38,636	\$ 38,636	\$ 38,636	\$ 460,204
Travel	\$ 50,500	\$ 50,500	\$ 50,500	\$ 51,005	\$ 51,005	\$ 51,005	\$ 51,515	\$ 51,515	\$ 51,515	\$ 51,515	\$ 51,515	\$ 51,515	\$ 613,605
Legal Fees - total	\$ 35,350	\$ 35,350	\$ 35,350	\$ 35,704	\$ 35,704	\$ 35,704	\$ 36,061	\$ 36,061	\$ 36,061	\$ 36,061	\$ 36,061	\$ 36,061	\$ 429,524
Professional/Audit Fees - total	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,000
Outside Services	\$ 75,750	\$ 75,750	\$ 75,750	\$ 76,508	\$ 76,508	\$ 76,508	\$ 77,273	\$ 77,273	\$ 77,273	\$ 77,273	\$ 77,273	\$ 77,273	\$ 920,408
Research & Development	\$ 18,180	\$ 18,180	\$ 18,180	\$ 18,362	\$ 18,362	\$ 18,362	\$ 18,545	\$ 18,545	\$ 18,545	\$ 18,545	\$ 18,545	\$ 18,545	\$ 220,898
Facilities & Equip., net of depreciation	\$ 114,130	\$ 114,130	\$ 114,130	\$ 115,271	\$ 115,271	\$ 115,271	\$ 116,424	\$ 116,424	\$ 116,424	\$ 116,424	\$ 116,424	\$ 116,424	\$ 1,386,748
Depreciation	\$ 91,000	\$ 91,000	\$ 90,500	\$ 90,500	\$ 90,000	\$ 90,000	\$ 89,500	\$ 89,500	\$ 89,000	\$ 89,000	\$ 88,500	\$ 88,500	\$ 1,077,000
Military contract billings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating expenses	\$ 1,121,565	\$ 1,121,565	\$ 1,121,065	\$ 1,133,710	\$ 1,218,210	\$ 1,133,210	\$ 1,230,482	\$ 1,145,482	\$ 1,144,982	\$ 1,144,982	\$ 1,144,482	\$ 1,144,482	\$ 13,804,213
Operating profit (loss)	\$ (704,661)	\$ (814,895)	\$ (823,864)	\$ (734,659)	\$ (897,213)	\$ (848,496)	\$ (754,810)	\$ (629,332)	\$ (578,410)	\$ (244,439)	\$ (485,461)	\$ (561,261)	\$ (8,077,500)
Interest income	\$ 4,896	\$ 4,713	\$ 4,522	\$ 4,348	\$ 4,158	\$ 4,005	\$ 3,911	\$ 3,876	\$ 3,783	\$ 3,776	\$ 3,813	\$ 3,824	\$ 49,626
Interest expense	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 133,333	\$ 1,600,000
Other income (expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income (loss) before taxes	\$ (833,098)	\$ (943,515)	\$ (952,675)	\$ (863,645)	\$ (1,026,388)	\$ (977,824)	\$ (884,232)	\$ (758,789)	\$ (707,961)	\$ (373,997)	\$ (614,981)	\$ (690,770)	\$ (9,627,873)
Income taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (833,098)	\$ (943,515)	\$ (952,675)	\$ (863,645)	\$ (1,026,388)	\$ (977,824)	\$ (884,232)	\$ (758,789)	\$ (707,961)	\$ (373,997)	\$ (614,981)	\$ (690,770)	\$ (9,627,873)